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	CLASSIFICATION S-E-C- CENTRAL INTELLIGE INFORMATION	NCE AGENCY	REPORT CD NO.				
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- 1. Commenting upon Bulganin's and Khrushchev's visit to East Germany, Otto Nuschke, Deputy Prime Minister in East Germany and chairman of the East CDU, told the East CDU party headquarters that the state visit was designed to give added support to the SED and the régime, probably at the urgent request of the SED and following pessimistic reports by Nuschke and Dr. Loch. The visit took the form of a demonstration which showed that the Soviets did not think of abandoning East Germany. The Soviets also used the occasion to make their attitude clear to the Western Powers after the Geneva Conference and prior to the Foreign Ministers' Conference in Geneva. Bulganin and Khrushchev also used the occasion to address Bonn which was believed to be taking these hints.
- The regime wanted to demonstrate its own strength to the Soviet guests. This attempt remained unsuccessful in many places. The population in Bitterfeld, for example, failed to demonstrate and children had to be transported from some distance to line the streets. The enthusiasm of the population was very limited. Soviet observers in plain clothing noticed that many persons left the demonstration in the Lustgarten in Berlin. The combat groups had no clear order and were uncertain as to whether they had to appear with or without
- 3. The Soviets had ostensibly rejected long demonstration at plants and had said that it would be better for the conrades to work. The Soviets also rejected an escort by the SSD. They had their own bodyguards. The Soviet politicians also refused to inspect a KWP unit although this visit was planned to be broadcast. It was noted that Khrushchev seemed to have expert knowledge of all matters related to industries and agriculture.

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- 4. The negotiations in which only SED members participated produced the following results:
 - Security for the régime, which would not be sacrificed by the Soviets.
 - b. Promises that the SED would be consulted on the negotiations with the Federal Republic, although the Moscow SED representatives are to keep in the background.
 - c. Promises that a delegation of prominent functionaries would also be present at the October Megatiations in Geneva.
 - d. Request to the Soviet Zone Government for a moderate tone toward Bonn. While the SED expected serious coalition difficulties for the Bonn Government, the Soviets did not think much of the EPD and the bourgeoisie opposition to Dr. Adenauer, including new figures such as Bonin. They also did not expect much of the SED and the DGB.
 - e. Warnings that an attitude of reserve be taken in regard to defense issues. The World Youth Meeting in Warsaw will be kept on a peaceful note.
 - f. Warnings that an attitude of reserve be adopted in regard to propositions to Bonn.
- 5. The questions of the PWs still retained in the USSR was broached by Grotewohl following advice given by Otto Nuschke. The Soviets refused to discuss this subject which they apparently wished to reserve for the negotiations with Dr. Adenauer in Moscow.
- 6. In the absence of Ulbricht, the Soviets severely criticized the planned economy in East Germany, the fulfillment of trade obligations, and other economic issues.
- 7. The members of the CDU headquarters were divided over the political outlook and development. Gerald Goetting expected a year-long transition period of co-existence between East Germany and West Germany with a competition between the two rival systems. He said that the Soviet friends would aid East Germany in making it possible for socialism to prevail. Nuschke privately called this view nonsense and still expected all-German elections to take place in 1956 on the understanding that the Western Powers and West Germany make certain concessions in regard to the economic structure. All members of the CDU headquarters agreed that no quick solution was in prospect although a period of relaxation was at hand. Nuschke expressed fears of possible class-war slogans of the SED office in West Germany with which SED and FDGB would appear like a bull in the china-shop.

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